



Sava Insurance Group

2021 unaudited results

4 March 2022



2021 unaudited results

Highlights of 2021

Growth in operating revenue of **7.6%**

Record net profit of **€76.2 million**, which exceeds planned net profit by 43.8%

Net expense ratio of **29.0%** (last year 29.5%)

Net combined ratio (excluding FX differences) of **88.3%** (last year 93.9%)

All segments ended the year with a profit, except for the “other” segment, which includes subordinated debt expenses

Improved performance of non-life segments due to favourable claims development, improved performance of the Pensions & AM segment due to higher inflows and favourable conditions on the stock markets with a positive impact on the amount of AUM

S&P and AM Best **“A” ratings**, stable outlook, affirmed

Unaudited data.

Achievement of the 2021 plan

| | 2020 actual | 2021 plan | 2021 actual* |
|---|----------------|--------------|-----------------|
| Group | | | |
| Operating revenue | €680.8 m | > €685 m | €732.7 m |
| Profit, net of tax | €56.4 m | > €53 m | €76.2 m |
| Return on equity (ROE) | 13.3% | >= 11.5% | 15.8% |
| Net expense ratio** | 29.5% | 32–33% | 29.0% |
| Investment return** | 1.6% | 1.5% | 1.8% |
| Gross premiums written | €679.7 m | > €685 m | €729.9 m |
| Net incurred loss ratio** (reins. + non-life) | 61.6% | 59–60% | 55.6% |
| Net combined ratio** (reins. + non-life) | 93.9% | < 94% | 88.3% |

* Unaudited data.

** Impact of exchange rate differences excluded. The investment return does not include subordinated debt expenses. The net expense ratio does not include amortisation of contractual relationships with clients. The Group net expense ratio in 2020 does not include the positive difference between the fair value of net assets acquired and the purchase price of the investment in Vita.

2021 financial position

| € million | 31/12/2020 | 31/12/2021* | Change 2021/2020 |
|--------------------------|------------|-------------|---------------------|
| Group | | | |
| Total assets | 2,467.3 | 2,658.3 | 7.7% |
| Shareholders' equity | 460.2 | 504.1 | 9.5% |
| Net technical provisions | 1,600.3 | 1,703.9 | 6.5% |
| Book value per share (€) | 29.70 | 32.53 | 9.5% |

* Unaudited data.

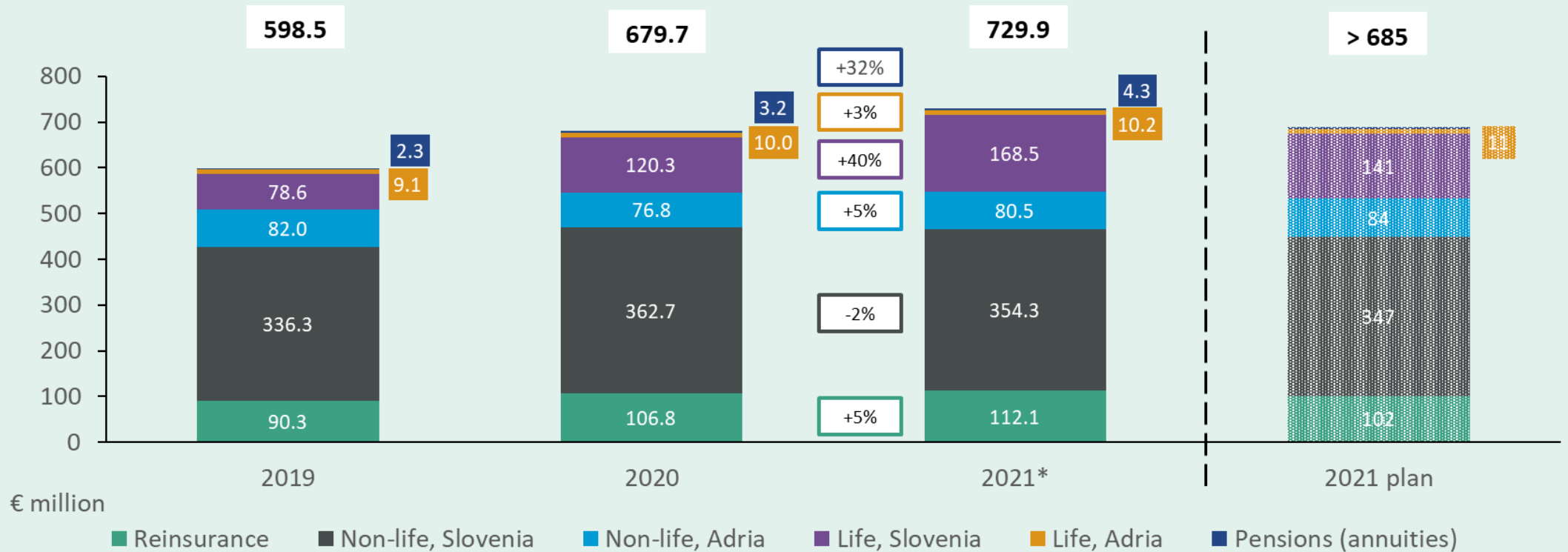
Development of consolidated GPW

Consolidated gross premiums written in 2021

€729.9 m

2021/20: **7.4% growth**

Plan achieved



* Unaudited data.

Development of consolidated GPW by insurance market

Insurance, pension and asset management companies

Slovenia

Insurance company

Premiums: €523.0 m

2021/20: +8.3%*

Pension company

Savings fund inflows:

€13.4 m

2021/20: +6.0%

Asset management company

AuM: €570.5 m

2021/20: +39.4%

Croatia

Premiums: €16.4 m

2021/20: -24.7%

Montenegro

Premiums: €14.4 m

2021/20: +12.2%

Serbia

Premiums: €27.7 m

2021/20: +13.1%

Kosovo

Premiums: €17.0 m

2021/20: +22.4%

North Macedonia

Insurance company

Premiums: €15.3 m

2021/20: +11.0%

Pension company

Pension fund inflows:

€75.2 m

2021/20: +3.3%

Reinsurance company



Global markets

Sava Re reinsurance
business

Non-Group premiums:
€112.1 m

2021/20: +5.0%

* Vita included from 31 May 2020 (if Vita were included the whole year 2020: +2.2%).

Unaudited data.

Structure of the investment portfolio

| | 31/12/2020 | 31/12/2021* |
|---|----------------|----------------|
| Investment portfolio (€ million) | 1,535.3 | 1,581.4 |
| Government bonds | 43.0% | 45.4% |
| Corporate bonds | 40.3% | 37.4% |
| Cash and cash equivalents | 4.8% | 4.7% |
| Infrastructure funds | 1.8% | 2.8% |
| Mutual funds | 2.5% | 2.3% |
| Shares | 2.5% | 2.3% |
| Deposits & CDs | 1.5% | 1.2% |
| Real estate funds | 0.9% | 1.0% |
| Investment property | 1.1% | 0.9% |
| Other | 1.6% | 2.0% |
| Total investment portfolio | 100.0% | 100.0% |

Investment grade assets accounted for 84.5 % of fixed rate investments.

* Unaudited data.

2022 plan

Major development areas in 2022



DIGITAL TRANSFORMATION & PLACING THE CUSTOMER AT THE CENTRE

- Continued work on introducing remote solutions supporting insurance operations & expanding remote business
- Facilitating customer communication, exploring omni-channel marketing and replacing paper-based communication with electronic means
- Introducing new digital avenues: offering a wider array of online sales options, informative solutions, service subscriptions and information points providing advice on selecting optimal coverage for individual customer segments



IT OVERHAUL

- Overhaul activities on the core IT solution supporting reinsurance operations
- Completed overhaul of the core IT solution for the Croatian branch office of Zavarovalnica Sava
- Work on the content expansion of data warehouses relating to insurance business
- Continuing technological and process upgrades in cyber security, with an emphasis on end-user training



ACQUISITIONS-BASED GROWTH

- Exploring opportunities for growth through acquisitions in the areas and countries where the Group is present

Key group performance metrics

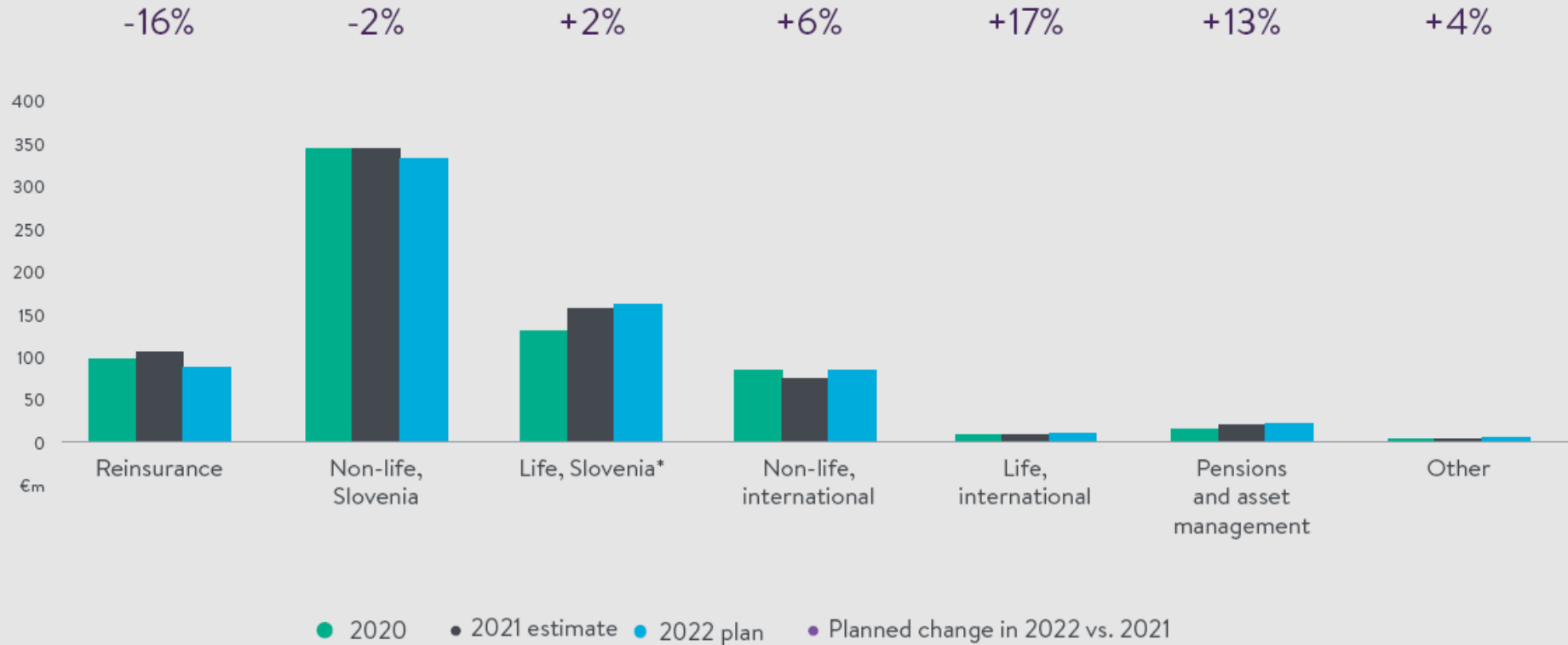
| | 2020 actual | 2021 actual* | 2022 plan |
|--|-----------------|-----------------|--------------------|
| Operating revenues | €680.8 m | €732.7 m | > €700 m |
| Profit, net of tax | €56.4 m | €76.2 m | > €60 m |
| Return on equity (ROE) | 13.3% | 15.8% | >= 11.5% |
| Net expense ratio** | 29.5% | 29.0% | 31–32% |
| Investment return** | 1.6% | 1.8% | 1.4% |
| Net combined ratio** (reins. + non-life) | 93.9% | 88.3% | < 94% |

* Unaudited data.

** Impact of exchange rate differences excluded. The investment return does not include subordinated debt expenses. The net expense ratio does not include amortisation of contractual relationships with clients. The Group net expense ratio in 2020 does not include the positive difference between the fair value of net assets acquired and the purchase price of the investment in Vita.

This plan is based on autumn forecasts for GDP growth in the countries where the Group is present and on expected relatively stable financial markets. It also assumes there will be no new lockdowns in 2022 or restrictions on movement like those imposed in these countries in 2020 and 2021.

Operating revenue by segment



* Vita included as from 31 May 2020.



Thank you for your attention.

Disclaimer

Forward-looking statements

This document may contain forward-looking statements relating to Sava Re's expectations, plans or goals, which are based on assumptions made by Sava Re management. By their nature, forward-looking statements involve risk and uncertainty. As a result, actual developments, in particular performance, may differ materially from expectations, plans and goals set out in this document; therefore, persons should not rely on forward-looking statements.

Duty to update

Sava Re assumes no obligation to adjust any forward-looking statements or other information contained in this document to future events or developments.